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LAWYERS

August 14, 2003

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AUG 15 2003

Marlene H. Dortch, Esq., Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Request for Review by Albuquerque Public School District  
CC Docket Nos. 96-45 and 97-21, DA 03-2206  
EX PARTE PRESENTATION

Dear Secretary Dortch:

As a follow-up to our meetings last week, APS submits the following information in response to various questions that were raised. Two copies of this information are being filed this day with the Secretary's office. Specifically, this letter addresses five areas of questioning: (1) whether the Western States Contracting Alliance ("WSCA") Request for Proposals ("RFP") dealt with maintenance and support services in addition to computer hardware, (2) if so, whether IBM's bid contained proposals for maintenance and other related support services, (3) how pricing for services under the Master Price Agreements works, (4) the relationship, if any, between APS and Alpha Telecommunications, Inc.; and (5) the manner in which APS calculated its reduced lunch population. Each area of questioning is addressed in turn.

**1. The WSCA RFP Required Offerors To Submit Proposals Detailing Their Ability To Provide Maintenance And Other Related Support Services**

RFP 90-00151 clearly called for offerors to provide the maintenance and support services in question. In fact, the RFP itself was titled "Manufacturer Supplied Computer Equipment with Peripherals, Software, **Equipment Maintenance and Support Services**." See RFP p. 1 (emphasis added) (attached as Exhibit "H" to APS' Request for Review). The RFP goes on to state that the "purpose of this Request for Proposals (RFP) is to establish price agreements on a competitive basis with qualified computer equipment manufacturers who shall directly supply computer equipment .. **and maintenance and support services to qualified purchasers**." See RFP p. 4(A) (emphasis added).

When summarizing the scope of work called for in the RFP, WSCA stated that "[c]ontractors are **required to provide maintenance services** on equipment that is purchased." See RFP p. 4(B) (emphasis added). Furthermore, the scope of the RFP included "a wide range of manufacturer supplied computing equipment, including peripherals, general-purpose software, **maintenance and support services**." See RFP

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p 4(C) (emphasis added) In fact, the stated mission of the WSCA "is to implement multi-state contracts to achieve cost-effective and efficient acquisition of quality products **and services** " See RFP p. 8 (emphasis added)

In outlining the specifications and other relevant information offerors were to use in preparing their proposals, the RFP stated that offerors "must describe their ability to provide computer equipment **including related products and support services** to the WSCA states and the various governmental entities therein " See RFP p 23(B)(1) (emphasis added)

## **2. IBM's Bid Contained Proposals Relating To Its Ability To Provide Maintenance And Other Support Services**

In addition to simply requiring offerors to include maintenance and other support services as part of their proposals, WSCA factored an offeror's ability to provide these services into the scoring of the proposals For instance, up to 40 points were awarded based on an offeror's ability to provide technical and marketing personnel in the applicable geographic area. See RFP p 29 (B)(1)(b) Twenty points were available to offerors who could offer "value added technical services including installation, training or directly related optional services " See RFP p 30(B)(1)(e) Additionally, up to 25 points were awarded based upon "the number and type of technical support services than [an offeror] proposed " See RFP p 30(B)(4).

As the Evaluation Committee summary makes clear, IBM scored well in all of these support service/maintenance areas For instance, IBM's proposal received 37 out of 40 points in the area of technical/marketing personnel provided in the coverage area See Evaluation Committee Charts (attached as Exhibit "L" to APS' Request for Review) IBM also received one of the higher scores in the area of Value Added Services (installation, training, and directly related optional services) by receiving 16 6 out of a possible 20 points Id IBM's proposal received another high score in the area of technical services (19 2 of 25 points) Id Based on its high scores in these (and other) areas, IBM was selected as one of five companies to receive price agreements with WSCA

## **3. The Prices Available Under The 1999 IBM Master Price Agreement 94-00151 Are Subject To Periodic Changes**

As stated in the RFP, "[t]he procuring agencies shall pay the lower of the prices contained in the ESS [Equipment and Service Schedule] or an announced promotion price, educational discount price, general price reduction price or large order negotiated price" See RFP p 44(13) ESS prices are "the prices offered to WSCA members exclusive of Announced Promotional Prices, Educational Discount Prices, General Price Reductions, or Large Order Negotiated Prices " See RFP pp 36-37 Accordingly, the most a purchaser would pay under the Master Price Agreement is the ESS price, a special price offered to WSCA members. However, purchasers may also be entitled to various discounted prices in the form of promotional discounts, educational discounts, large order discounts, etc. Additionally, as explained in APS' Request for Review, the procurement also included additional, predetermined discount percentages to be applied after cumulative sales volume levels passed certain "trigger points," at which time additional price discounts would automatically kick in See APS Request for Review, Exhibit "P"

School Lunch Program In making these calculations, APS uses what's known as the 40-day count Essentially, an enrollment "snapshot" is taken on the 40<sup>th</sup> day of the school year to determine the number of children enrolled in the district. The 40-day count determines the operational budget for the coming year and permits an analysis of the number of children at each school who are eligible for the free or reduced lunch program

In applying for E-rate funding, APS used the numbers available to it from the 40-day count in determining the number of students at each school who are eligible for the National School Lunch Program The remainder of the calculations (*i.e.*, the discount percentages for each school from the Discount Matrix; the weighted product for calculating the shared discount, the sum total of the weighted products for all schools, the weighted average discount percentage, etc ) were automatically performed for APS when it filed online

I trust you will find these answers satisfactory Please let me know if we can be of any more assistance

Sincerely,




Arthur D. Melendres  
Counsel  
Albuquerque Public School District

ADM/acw/W0317746.DOC

Enclosure – as stated

cc: Commissioner Kathleen Abernathy  
Commissioner Michael Copps  
William Maher, Chief, Wireline Competition Bureau  
Christopher Libertelli  
Matthew Brill  
Jessica Rosenworcel  
Scott Bergmann  
Carol Matthey, Deputy Chief, Wireline Competition Bureau  
Eric N. Einhorn, Chief, Telecommunications Access Policy Division  
Mark Seifert, Deputy Chief, Telecommunications Access Policy Division  
Narda Jones  
Jonathan Secrest  
Kathy Tofigh  
Sheryl Todd, Telecommunications Access Policy Division  
Qualex International  
Vincent J. Curtis, Jr.  
Frank R. Jazon  
Raymond J. Quanzon  
Members, APS Board of Education  
APS Superintendent, Elizabeth Everitt

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## State of New Mexico

Servers, desktops, notebooks and more

WSCA Agreement Number 94-00151

[Request a price quote](#)[Request a PC catalog](#)[Need assistance with your order?](#)

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### Network stations / networking

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### UPS

View ESS product price schedules on Uninterruptible Power Supplies.

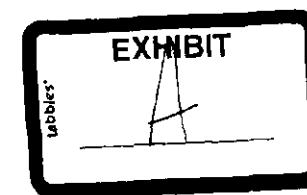
### Software

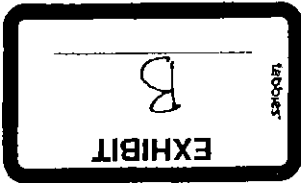
View ESS product price schedules on IBM software.

### Support services

IBM provides a wealth of support and product information.

### Related links

Visit the WSCA Administrative site for complete details[About IBM](#) | [Privacy](#) | [Legal](#) | [Contact](#)



IBM HOURLY SUPPORT SERVICE RATES  
ALL PRICES ARE SUBJECT TO CHANGE AT ANY TIME

Prices contained herein are subject to change and do not include any  
State & Local taxes, if applicable for your area. Please consult your  
IBM representative for current prices or to verify tax  
implications or exemptions.

Additional Notes:

1 IBM's normal working hours are 8am-5pm, M-F excluding holidays

New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day

2. Hourly Maintenance Rate is per hour/per person

3. Hourly Maintenance 2-Hour minimum

4. Hourly Maintenance Parts/Travel separate Travel \$ 50/mile fr. Svc Center to Svc location

5. Hourly Maintenance 1/10th Hourly rate incurred during IBM's normal working hours

6. Hourly Maintenance Parts costs are separate and will be detailed on the invoice for the

specific hourly maintenance services call and thus made part of this agreement

7. Progr/Tech Consulting Outside normal working hours, the rates identified above will be increased by 15%

8. Progr/Tech Consulting Transportation/Per Diem costs (lodging, meals, incidental expenses) are separate

and will be detailed in the specific contract and thus made part of this agreement

9. Progr/Tech Consulting Travel time (see 8a) is billable at the same hourly rates as set forth in the

Services price list. Mileage shall be reimbursed at a rate not exceed \$ 50 per mile

a. Billable Travel Time is travel time in excess of one hour spent traveling to/from service location

HOURLY MAINTENANCE SERVICE RATES:

\* PRICES ARE SUBJECT TO CHANGE AND ARE AVAILABLE UPON REQUEST AS A QUOTE OR STATEMENT OF WORK

Hourly	1/10th	Rate	Hours
Rate	Hourly	Rate	Outside Regular

Machine Class 1	\$172.00	\$18.00	\$197.00
Machine Class 2	\$236.00	\$24.00	\$271.00
Machine Class 3	\$325.00	\$33.00	\$376.00
Machine Class 4	\$172.00	\$18.00	

ACCOUNT ADVOCATE HOURLY RATES \*

\* PRICES ARE SUBJECT TO CHANGE AND ARE AVAILABLE UPON REQUEST AS A QUOTE OR STATEMENT OF WORK  
MONTHLY CHARGE PER SUPPORT LINE OPTION  
Operating Systems  
Operating Systems

SUPPORT LINE OPTIONS

TOTAL SYSTEMS SOFTWARE SUPPORT	\$396.00	\$396.00	\$396.00
Flat Fee mach #1 in each oper System	\$50.00		
Additional machine after 1st (each)	\$2,750.00		
Uplift on Total Price			

MULTIPLE OPERATING SYSTEM COVERAGE

Flat Fee mach #1 in each oper System	\$396.00	\$396.00	\$396.00
Additional machine after 1st (each)	\$50.00		

SINGLE SYSTEM SOFTWARE SUPPORT

Flat Fee mach #1 in each oper System	\$396.00	\$396.00	\$396.00
Additional machine after 1st (each)	\$50.00		

SELECTED SYSTEMS SOFTWARE SUPPORT

Flat Fee mach #1 in each oper System	\$396.00	\$396.00	\$396.00
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Additional machine after 1st (each)	\$50 00	\$28 00
Multivendor with no IBM OS	\$2,750 00	

CROSS-SYSTEM PRODUCT SOFTWARE SUPPORT

AD	\$12,777 00
COMM	\$15,840 00
DM	\$11,847 00
I/E	\$10,919 00
TS	\$12,777 00
NSM	\$11,847 00
WG	\$10,771 00
IN10	\$15,331 00
IND11	\$8,646 00
IND12	\$10,875 00
IND13	\$10,875 00
IND15	\$58,495 00
IND16	\$58,495 00
IND17	\$58,495 00

Addnl Acct Advocate NOTES

For SP machines

Flat Fee for 1st Node	\$396 00
Additional Nodes After 1st (each)	\$28 00

For PS platform

Based on same server methodology in SL

Flat Fee for 1st Server	\$396 00
Additional Servers after 1st (each)	\$50 00

Multivendor with IBM Operating System Calculated the same as IBM Platform  
No additional charge for the Independent Products group

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**PROGRAMMING SERVICES HOURLY RATES\***

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\* PRICES ARE SUBJECT TO CHANGE AND ARE AVAILABLE UPON REQUEST AS A QUOTE OR STATEMENT OF WORK

Codes, and tests software based upon software specifications and designs.

Uses sound software engineering principles to ensure that developed code

is modifiable efficient, reliable, understandable, and fault tolerant Provides  
software process management and control throughout the coding portion  
of the software development process.

Experience Level	Hourly Rates	Position Title
A	\$269 00	Senior Consultant I/T Specialist
B	\$235 00	Certified I/T Specialist
C	\$204 00	Senior I/T Specialist
D	\$176 00	Advisory I/T Specialist
G	\$149 00	Senior Programmer/Analyst
I	\$121 00	Junior Programmer/Analyst
J, K	\$106 00	Journeyman Programmer/Analyst
C, D, E, F	\$204 00	Programmer/Analyst
G, H, I	\$149 00	Systems Programmer/Analyst

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**TECHNICAL AND CONSULTING SERVICES HOURLY RATES\***

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\* PRICES ARE SUBJECT TO CHANGE AND ARE AVAILABLE UPON REQUEST AS A QUOTE OR STATEMENT OF WORK

Provide managerial and technical leadership for development, implementation and operations of complex information technology systems implementation

EXPERIENCE LEVEL	HOURLY RATES	Experience Level Description
A Prime	\$400.00	Up to/exceed 25yrs exper. ing. complex I/T systems w/expertise in specific discipline
A	\$293.00	Up to/exceed 25yrs exper. ing. complex I/T systems
B	\$256.00	Up to/exceed 20yrs exper. ing. complex I/T systems
C	\$222.00	Up to/exceed 15yrs exper. ing. complex I/T systems
D	\$192.00	Up to/exceed 12yrs exper. ing. integrated systems
E	\$180.00	Deep understanding of arch. techniques, mgmt. process across broad systems, applic., and requirements spectrum
F	\$173.00	Generally regarded as expert in particular discipline/technology
G	\$162.00	Broad knowledge of labor category field w/ability to independently work complex assignments
H	\$153.00	Significant knowledge of labor category field w/ability to independently work typical assignments
I	\$132.00	General knowledge of labor category field w/ability to work w/minimal supervision
J	\$116.00	Basic knowledge of labor category field w/ability to work w/supervision
K	\$83.00	Some knowledge of labor category field w/ability to work w/supervision

Services Hourly.xls